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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Implementation of the	)	
Pay Telephone Reclassification	)	CC Docket No. 96-128
and Compensation Provisions of	)	
the Telecommunications Act of	)	
1996	)	
	)	

<u>OPPOSITION</u>

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October 30, 1997

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OPPOSITION

MCI Telecommunications Corporation (MCI) hereby opposes the petitions filed by the United States Telephone Association (USTA), TDS Telecommunications Corporation (TDS) and the LEC ANI Coalition (Coalition) seeking a waiver of the Commission's requirement that local exchange carriers (LECs) provide unique payphone coding digits as part of ANI that can be transmitted with calls from payphones.

In its petition, USTA requests that LECs with digital, equal-access switches be given an additional nine months to provide payphone coding digits and that LECs be permitted to use whatever technology they select to provide the digits. USTA also requests that LECs with non-equal access switches be exempt from providing payphone digits until their switches are replaced or upgraded for equal access.

The LEC ANI Coalition states that Ameritech, Bell Atlantic (South), BellSouth, Pacific Bell, Nevada Bell and Southwestern Bell Telephone Company would make payphone specific coding digits available through Flex-ANI at no charge to interexchange carriers and that Flex-ANI could not be implemented at all switches until mid-April 1998. The Coalition, however, asserts that GTE, SNET, Bell Atlantic (North) and US West "do not believe that they could meet the above deadlines or cost-effectively implement Flex ANI in the long term."[1] Rather, these companies want to provide free access to originating line number screening service (OLNS) to IXCs for per-call compensation purposes. The Coalition asserts that these companies will be offering OLNS by October 7, 1997, and, therefore, carriers that wish to identify "07" calls that are from payphones will have a LEC-provided mechanism to do so. The Coalition, thus, requests that the Commission issue either a clarification or waiver of its requirements making payphone service providers (PSPs) eligible for per-call compensation based on the provision of Flex ANI and OLNS payphone identification digits.

TDS requests a waiver until July 1, 1998, of the requirement to provide unique payphone coding digits. Further, TDS indicates that it intends to provide unique payphone digits via the Line Information Database (LIDB).[2]

On October 7, 1997, the Common Carrier Bureau (Bureau), on its own motion, granted a limited waiver until March 9, 1998, to LECs and PSPs that cannot provide payphone-specific digits as required by the Commission. [3]The Bureau states that the limited waiver is provided "to afford LECs, IXCs and PSPs an extended transition period for the provision of payphone-specific

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[1] LEC ANI Coalition letter dated September 30, 1997, at 4.

[2] TDS Petition at 2.

[3] Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128, Order, DA 97-2162 (Com. Car. Bur., Oct. 7, 1997) ("Waiver Order").

coding digits without further delaying the payment of per-call compensation as required by Section 276 of the Communications Act."[4] The Bureau further states that the waiver is granted "to address the special circumstances that transmission of payphone-specific coding digits is not yet ready for implementation for certain phones"[5] and that substantial efforts are being made by the industry which indicate "that the industry is working collaboratively in good faith toward the goal of enabling all payphones to transmit coding digits."[6] Finally, the Bureau concludes that refusal to waive this requirement "would lead to the inequitable result that many payphone providers-- particularly independent providers who do not control the network modifications necessary to permit payphone-specific coding digits to be transmitted-- would be denied any compensation while implementation issues are being resolved by the industry."[7] The Bureau now asks for comments on the petitions for waiver.

MCI does not oppose the request for waiver for LECs with respect to their non-equal access switches. As demonstrated by USTA, many of these switches are located in rural areas, "serve few if any smart payphones, and most do not have prisons located in their serving territory."[8] If the Bureau grants a waiver, however, carriers should be allowed to fulfill their compensation obligation either on a per-call or per-phone basis. In addition, per-phone compensation would have to be based on a greatly reduced estimate of the number of

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[4] Waiver Order at para. 2.

[5] Waiver Order at para. 10.

[6] Waiver Order at para. 10.

[7] Waiver Order at para. 11.

[8] USTA Petition, Letter to the Commission dated July 28, 1997, at 4.

compensable calls given the rural nature of the areas.[9] Finally, the waiver should only apply until a switch is converted to equal access.[10]

With respect to LECs in equal access areas there are no "special circumstances" that justify grant of a waiver to these LECs. Contrary to the statement by USTA there is no "industry confusion" concerning the obligations of the various parties. The Commission's Payphone Reconsideration Order[11] clearly requires LECs to make available to PSPs unique coding digits as part of ANI. PSPs must transmit those coding digits that specifically identify it as a payphone, and not merely as a restricted line"[12] in order for the PSP to be eligible for compensation. And, carriers that receive calls from payphones must track those calls and pay compensation based on the receipt of unique payphone coding digits with ANI. MCI and other IXCs spent millions of dollars and thousands of man-hours implementing the mechanisms necessary to track unique payphone coding digits received with ANI and to pay per-call compensation by October 7, 1997. The truth of the situation is that the LECs simply failed to implement the Commission's payphone order until the last minute and it is only because of their total lack of timely action that

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[9] Per-phone compensation was calculated by the Commission based on a nationwide average of 131 calls per phone. It follows that a per-phone compensation amount for payphones in non-equal access areas only, which are rural in nature, must be based on a much smaller number of calls per phone.

[10] The Commission included the cost of upgrading non-equal access switches in determining the amount of per-call payphone compensation. Although including such costs was not appropriate under any circumstance, if the Bureau grants this waiver for non-equal access LECs, the amount of compensation should be reduced, accordingly.

[11] Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128, Order on Reconsideration, 11 FCC Rcd 21.

[12] Reconsideration Order at para. 64.

coding digits could not be available by October 7, 1997. TDS admits as much in its petition which states that because its employees were faced with many regulatory and technology issues-- as were all carriers-- "TDS has only recently been able to evaluate and determine the most suitable method for its subsidiaries to use in transmitting the required digits with payphone ANI."[13] This also is clear from the LEC ANI Coalition's admission that unique payphone coding digits can be available within 7 months and USTA's claim that the digits can be provided within 9 months of their waiver requests. If the LECs had started the implementation of the Commission's requirement in November 1996, when the Commission's order on reconsideration was released, there would be no need for a waiver.

USTA's claim that the Commission's OLS Order[14] caused confusion concerning the obligations of LECs because the Commission allowed LECs to provide originating line screening (OLS) service through either Flex-ANI or LIDB, is a red-herring. The Commission's OLS proceeding is not related to the payphone compensation proceeding. Rather, the OLS proceeding, in which the Commission required LECs to make OLS service available to aggregators, including payphone providers (PSPs), and operator service providers (OSPs), was for the purpose of ensuring that aggregators had a mechanism available to protect themselves from fraudulent operator service charges billed to the telephone line and that OSPs had a mechanism to ensure that they did not allow such calls to be completed. The proceeding, therefore, sought to ensure that aggregator lines were appropriately identified so that OSPs would

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[13] TDS Petition at 2.

[14] Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, CC Docket No. 91-35, FCC No. 96-131, Third Report and Order, rel. April 5, 1996.

not allow consumers to bill operator service calls to them.

Significantly, in the OLS Order , the Commission did not require LECs to provide unique aggregator coding digits as part of ANI. In addition, this proceeding never considered and had no impact on subscriber 800 calls because these calls are never billed to the aggregator-- they are billed to the 800 customers. Also, the OLS Order did not require carriers to do LIDB queries. Rather, the OLS Order simply made available to PSPs and carriers an additional mechanism with which to protect themselves from fraud.

Payphone compensation is an entirely different situation. In the payphone orders, the Commission required LECs to provide unique payphone coding digits as part of ANI. Carriers do not have discretion as to whether to track calls from payphones-- carriers must track all calls from payphones, including subscriber 800 calls. In addition, payphone compensation is not limited to operator service calls-- subscriber 800 calls also are compensated.

In addition, the Bureau does not need to grant a waiver of time to the LECs to ensure that PSPs can receive per-call compensation and, therefore, MCI believes that the Bureau's decision to grant such a waiver is completely misplaced. It is the PSPs, who have the legal obligation to pass the unique information digits to IXCs in order to receive compensation, who need a waiver if information digits are not available from the LECs. But, that is not a reason to allow the LECs, who have had a year to implement changes in their network and who have failed to do so, off the hook from clear and unambiguous Commission requirements to provide payphone information digits as part of ANI.

Thus, the Bureau should not grant a waiver of time to equal access LECs. Rather, the Bureau should issue a notice of apparent liability for forfeiture against all LECs that did not provide unique payphone coding digits by October 7, 1997, for non-compliance with the Commission's orders.

With respect to those LECs that ask for a waiver of the Commission's requirement in order to provide unique payphone coding digits through OLNS or LIDB, these requests also should be denied. As an initial matter, although the LEC ANI Coalition asserts that Bell Atlantic (North) and US West cannot cost-effectively implement Flex-ANI in the long term, both carriers have federal tariffs for a Flex ANI service.[15] In addition, it is MCI's understanding that TDS has implemented Flex ANI in at least some of its switches. There appears to be no justification, therefore, for their waiver requests.

In addition, the LECs' requests to provide unique payphone coding digits through OLNS/LIDB should be denied as untimely petitions for reconsideration. The Commission's Payphone Reconsideration Order clearly requires LECs to make available to PSPs unique coding digits as part of ANI. Based on information filed by the LECs, it is clear that the coding digit "07" would be provided as part of ANI in the OLNS/LIDB mechanism and carriers would need to query LIDB to get a payphone-specific information digit. There is no dispute that "07" is not a unique payphone coding digit and, in fact, the LEC ANI Coalition admits that it is not a unique payphone coding digit. Thus, under this method, LECs would not provide a unique payphone coding digit as part of ANI and PSPs would not transmit a unique payphone coding digit as part of ANI. LEC OLNS/LIDB service, therefore, does not comply with the Commission's orders.

Moreover, providing payphone coding digits through LIDB is inefficient, expensive, and cannot be implemented for at least 12 months. As MCI explained in its letter dated April 18,

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[15] See US West and NYNEX tariff pages attached hereto.

1997, to William F. Caton, MCI's current network configuration simply does not allow the use of LIDB to determine whether subscriber 800 calls originate from payphones. MCI can only launch LIDB queries from its operator service platform. The network was designed in this way because-- before the advent of per-call payphone compensation-- there was no need to know if a subscriber 800 call originated from a payphone. Although it is technically possible to reconfigure the network to perform LIDB queries for subscriber 800 calls, MCI would have to spend between $8 million and $50 million in vendor costs alone to do so. Hardware and software upgrades to the operator service platform would cost, at a minimum, $6 million. Switch software would have to be developed by our vendors at an additional cost of $2 million. In addition, MCI would face internal costs-- such as the costs incurred to increase capacity to accommodate an increased number of LIDB dips and to change the routing for certain kinds of traffic (e.g. toll free) that would otherwise not require LIDB queries. Even with accelerated vendor turn-around, this process would take at least a year. In addition, it would divert MCI's financial resources and time away from providing competitive local services.

The use of LIDB would be an extremely inefficient mechanism to identify calls from payphones. Every "07" call would have to be queried, whether it was from a payphone or not, including calls from hotels, hospitals, and student dormitory rooms. A LIDB query for every one of these calls would add network delay and increase carrier access charges. For example, the typical internal processing time for a toll free call is ten milliseconds. However, if a LIDB dip is required, MCI must allow up to 850 milliseconds for the query and response-- 200 milliseconds of which is allowed for internal LIDB processing. Based on the volume of "07" calls, this would significantly increase network delay and access charges.

The additional cost to reconfigure the network and the network delay simply cannot be justified especially when more efficient and more cost effective alternatives-- namely, Flex ANI or hard-coding digits at the switch-- are available. Based on the data filed by USTA on October 24, 1997, it appears that LECs in equal access areas could implement Flex-ANI at a cost of no more than $61.2 million and they could hard code ANI ii digits at a cost of no more than $172.8 million. Even these numbers, however, are suspect because they are based on USTA's claim that 6800 switches would have to be upgraded-- even though it appears that all of the Regional Bell Operating Companies-- Ameritech, Bell Atlantic (South), BellSouth, Pacific Bell, Nevada Bell, Southwestern Bell Telephone Company, Bell Atlantic (North) and US West-- have switches that have been upgraded for Flex ANI. It seems unlikely, therefore, that only 2800 switches out of a total of 9600 switches, as represented by USTA, have Flex ANI.

Even based on USTA's estimate for hard coding ANI ii, the per-call cost to recover that amount would be approximately $0.01. And, in fact, the Commission, in its remand order, increased the per-call compensation amount to compensate the LECs for making upgrades to provide unique payphone coding digits by hard-coding digits at the switch. Accordingly, there can be no justification for not requiring LECs to implement one of these methods.

Based on the foregoing, MCI requests that the Bureau deny the requests of the LECs for a waiver of the October 7, 1997, implementation date to provide unique payphone coding digits as part of ANI to PSPs; deny the requests of the LECs to be able to provide unique payphone coding digits via LIDB-- and not as part of ANI; and issue a notice of apparent liability for forfeiture against all LECs that did not provide unique payphone coding digits as part of ANI by October 7, 1997.

Respectfully submitted,

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Dated: October 30, 1997

6. Switched Access Service (Cont'd)

6.3 Local Switching Optional Features and Basic Service Elements (BSEs) (Cont'd)

6.3.1 Common Switching (Cont'd)

(AF) Flexible Automatic Number Identification (Flexible ANI)

This option when ordered in conjunction with the ANI optional feature or the ANI BSE provides additional values for the ANI Information Indicator (II) digits associated with various classes of service not available with the standard ANI optional feature or BSE The Flexible ANI option is provided per end office on a Carrier Identification Code (CIC) basis and is available with Feature Group D service or CST BSA - Option 3 service at suitably equipped end offices as listed in the NATIONAL EXCHANGE CARRIER ASSOCIATION, INC. TARIFF F.C.C. NO. 4. Technical specifications for Flexible ANI are contained in Technical Reference TR-TSY-000685.

A nonrecurring charge will apply as set forth in 31.6.2(D) following. (c)

(AG) Dialed Number Identification Service (DNIS) on 800

This option provides for the outpulsing of up to seven digits of the translated 800 number to be delivered to the customer premises or multiplexing node equipment. DNIS on 800 is provided from suitably equipped end offices with reverse battery type supervisory signaling. It is available as a chargeable BSE with terminating CST BSA - Option 4.

6. SWITCHED ACCESS SERVICE

6.3 COMMON SWITCHING, TRANSPORT TERMINATION AND LINE TERMINATION OPTIONAL FEATURES AND BSEs

6.3.1 COMMON SWITCHING OPTIOINAL FEATURES AND BSEs

F. Automatic Number Identification (ANI) (Cont'd)

ANI information and Charge Number information are provided based on the following requirements: (N

(1) the telephone number and billing information may be used for billing and collection, routing, screening, and completion of the originating subscriber's call or transaction, or for services directly related to the originating subscriber's call or transaction;

(2) the ANI information shall not be reused or resold without first (A) notifying the originating subscriber and (B) obtaining the affirmative consent of such subscriber for such reuse or resale; and

(3) ANI information shall not be disclosed, except as permitted by (1) and (2), above, for any purpose other than (i) performing the services or transactions that are the subject of the originating subscriber's call, (ii) ensuring network performance security, and the effectiveness of call delivery, (iii) compiling, using and disclosing aggregate information, and (iv) complying with applicable law or legal process. (

ANI information digits (ANIii) are the two digits that precede the seven- or ten-digit telephone number on the ANI record. ANI information digits inform the customer of the calling party's class of service for billing, routing and special handling purposes. Flexible ANI is a network enhancement that allows the Company to install new ANI information digits with a software update. The two digit ANIii pair assignments are made by the North American Numbering Plan Administrator at Bellcore and are delineated in Technical Reference TR-NPL-000258. (

Flexible ANI (BSE) is available with ANI Optional Feature on FGD or ANI (BSE) on CST3 Service when the customer has new or existing CST3 or FGD ANI trunk groups in suitably equipped Company end offices. Flexible ANI is not available with FGB, FGC, or CST1 or CST2 Services.

Flexible ANI may be ordered coincident with the installation of associated trunk activity or subsequent (e.g., without) associated trunk activity. This option is provided on a Carrier Identification Code (CIC) basis per end office. Once the Flexible ANI option is activated per CIC code in an end office, all new or existing FGD or CST3 trunk groups equipped with ANI will be capable of handling the new ANIii pairs installed via the Flexible ANI software. Nonrecurring charges for Flexible ANI are set forth in 6.8.2., following.

Certain material on this page formerly appeared on Page 6-117

CERTIFICATE OF SERVICE

I, Sylvia Chukwuocha, do hereby certify that the foregoing "Opposition" was served this 30th day of October, 1997, by hand delivery or first-class mail, postage prepaid, upon each of the following persons:

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